

## Compromise Committee averted

# Federal Council: Cannabis Legalization to Take Effect on April 1st

Berlin, March 22, 2024 – With the passage through the Federal Council, the planned partial legalization of cannabis in Germany has successfully cleared the final parliamentary hurdle today: The Cannabis Act "CanG" (Pillar 1) officially comes into effect on April 1st, as the convocation of the compromise committee did not materialize. In today's vote, a minority advocated for a compromise committee, while the majority abstained or voted against. For the German cannabis industry, this marks an important, albeit only initial step, states Finn Hänsel, founder and CEO of the Berlin-based cannabis company Sanity Group: "The foundation for the decriminalization and destigmatization of consumers, but above all, for better patient care with medicinal cannabis, has been laid today. Now the real work begins." A timely implementation of the second pillar of CanG is now essential. In the medical context, due to the removal of cannabis from the Narcotics Act, a significant increase in the number of patients is expected, as access to this form of therapy is significantly simplified.

To achieve the primary goals of the law, including child and youth protection, the containment of the black market, and ensuring the safe product quality of cannabis products for recreational use, Finn Hänsel sees the planned pilot projects for the controlled distribution of cannabis in licensed specialty stores under Pillar 2 of the legislative initiative as a central aspect: "Of course, we welcome the long-overdue modernization of German drug policy initiated by CanG. At the same time, however, we hope that the implementation does not end with Pillar 1, but that the accumulated expertise of the industry can now also be put to use." For recreational use, CanG will allow possession of up to 50 grams of cannabis for personal consumption in private spaces; the maximum limit for public spaces is 25 grams. Private cultivation of up to three plants will also be possible from April 1st, while collective non-commercial cultivation and controlled distribution of cannabis through cultivation associations will only be possible from July 1st, 2024.

However, to curb the illegal cannabis market, the expected very limited number of cannabis clubs and the possibility of personal cultivation are not sufficient; significant bureaucratic requirements for the establishment, licensing, and operation of a cannabis club also hinder widespread access, according to Finn Hänsel. "The substantial reduction of the black market and the associated strengthening of youth protection can only be adequately guaranteed with Pillar 2, which is why we demand its swift implementation. Valuable time is lost by postponing the two pillars."

### **Incorporating Scientific Research and Industry for Increased Quality and Safety**

Of central importance for answering numerous questions that have been discussed in the process of legalization is now an open-ended data collection. For example, regarding consumption behavior, physical and mental health, and societal impacts, especially concerning public safety. "Scientific pilot projects create a comparable database for assessing the effects of legal sales under different conditions. Furthermore, Pillar 2 enables the realization of the economic potential of controlled cannabis distribution as a recreational substance, which cannot be fully exploited in Pillar 1. This includes the creation of jobs with

social security contributions and economic revenues from income tax and social security," Finn Hänsel continues.

How this can work is already demonstrated by pilot projects in neighboring countries today: "Thanks to our Swiss pilot project Grashaus Projects, which we successfully initiated at the end of 2023 in collaboration with the Swiss Institute for Addiction and Health Research, we are ready to contribute to a scientifically founded implementation of cannabis legalization in Germany as well."

### **Reclassification of Medicinal Cannabis to Facilitate Medical Prescription**

With regard to the medical prescription of cannabis, CanG includes important facilitations for patient care as well as positive changes for the medical and pharmaceutical profession with the included Medicinal Cannabis Act (MedCanG). The reclassification away from a narcotic to a classic prescription drug contained in the CanG will particularly affect the prescription of cannabis, which has been possible in Germany since 2017. And the demand is there: "Surveys from North America show that around 80 percent of recreational cannabis users there consume cannabis not only for pleasure but also for health reasons, for example, for nervousness, stress, pain, or sleep problems. In the future, these individuals can receive a medical prescription for cannabis much more easily here than is currently the case," explains Dr. Konstantin Rutz, COO and Managing Director of the Sanity Group. "In this context, we anticipate a significant increase in demand for medical use, as physicians can finally prescribe cannabis without the hurdles of the Narcotics Act – and thus much earlier in the patient journey than before. We see this as an important and correct step in improving the quality of life for hundreds of thousands of patients suffering from complaints such as sleep problems, stress, or chronic pain."

For physicians, this change will mean a possible prescription on a "normal" prescription or even an e-prescription in the future. "To ensure sustainably secured patient care, we also hope for greater acceptance of cannabis therapy within medical and pharmaceutical professional groups," Dr. Konstantin Rutz continues. "The next step to make the potentially health-promoting properties of medical cannabis widely accessible would be the elimination of the approval requirement for cost coverage by statutory health insurance."

### **About Sanity Group**

*Sanity Group aims to improve people's quality of life through the use of cannabinoids and the utilization of the endocannabinoid system. The focus is on cannabinoid-based pharmaceuticals and consumer goods. To harness the full potential of cannabis, Sanity Group invests in research of the cannabis plant and its active ingredients as well as in specific areas of application. Sanity Group, founded in Berlin in 2018 by Finn Age Hänsel and Fabian Friede, includes Vayamed and vaay Medical (medical cannabis), Endosane Pharmaceuticals (finished pharmaceuticals), vaay (lifestyle) and Grashaus Projects (recreational cannabis Swiss pilot project). Near Frankfurt am Main, Sanity Group also operates a production facility for cannabis extracts. More information at [sanitygroup.com/press](https://sanitygroup.com/press).*